

DATE 9/23/95
ARTESIA, NM 88210

SUBMIT IN TRIPPLICATE*
(Other instructions on reverse side)

FORM APPROVED
OMB NO. 1004-0136
Expires: February 28, 1995

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

1a. TYPE OF WORK DRILL <input type="checkbox"/> DEEPEN <input checked="" type="checkbox"/> Re-enter			5. LEASE DESIGNATION AND SERIAL NO. NM-059077	
b. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER <input type="checkbox"/> SINGLE ZONE <input type="checkbox"/> MULTIPLE ZONE <input type="checkbox"/>			6. IF INDIAN, ALLOTTEE OR TRIBE NAME	
2. NAME OF OPERATOR YATES PETROLEUM CORPORATION			7. UNIT AGREEMENT NAME	
3. ADDRESS AND TELEPHONE NO. 105 South Fourth Street, Artesia, NM 88210			8. FARM OR LEASE NAME, WELL NO. HOC Fed. Gas Com. #2	
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)* At surface 330' FNL and 330' FWL (Unit D, NWNW) At proposed prod. zone Same			9. API WELL NO. 30-015-26939	
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE* Approximately 20 miles NW of Carlsbad, NM			10. FIELD AND POOL, OR WILDCAT Indian Basin Upper Penn	
15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drlg. unit line, if any) 330'			11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA Sec. 13-T22S-R23E	
16. NO. OF ACRES IN LEASE 600			12. COUNTY OR PARISH Eddy	
17. NO. OF ACRES ASSIGNED TO THIS WELL 640			13. STATE NM	
18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT. 7900			19. PROPOSED DEPTH 7900	
20. ROTARY OR CABLE TOOLS Pulling Unit			21. APPROX. DATE WORK WILL START* ASAP	
22. ELEVATIONS (Show whether DF, RT, GR, etc.) 4029				

PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	GRADE, SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
17 1/2"	13 3/8"	48#	162' in place	280 sx
12 1/4"	8 5/8"	24#	23.5' in place	800 sx
7 7/8"	5 1/2"	17 - 15.5#	7800' in place	420 sx

Yates Petroleum Corporation plans to drill a 4 3/4" hole from current 5 1/2" casing shoe at 7800' to the base of the dolomite, estimated at 7880' with an additional 20', to be sure we have penetrated all the dolomite, we anticipate an open hole completion.

MUD PROGRAM: Brine Mud 7800' to 7900'

BOPE PROGRAM: Bope will be installed on the 8 5/8" casing and tested daily.

**LOCATION AND ROAD ARE EXISTING AND PRODUCING AT THIS TIME.

RECEIVED

SEP 28 1995

OIL CON. DIV.

DIST. 2

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen, give data on present productive zone and proposed new productive zone. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout preventer program, if any.

24. SIGNED Ken Beardsley TITLE Landman DATE 9-11-95

(This space for Federal or State office use)

PERMIT NO. _____ APPROVAL DATE _____

Application approval does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.
CONDITIONS OF APPROVAL, IF ANY:

APPROVED BY Shannon J. Shaw TITLE PETROLEUM ENGINEER DATE 9/26/95

*See Instructions On Reverse Side

District I
PO Box 1980, Hobbs, NM 88241-1980
District II
PO Drawer DD, Artesia, NM 88211-0719
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
PO Box 2088, Santa Fe, NM 87504-2088

State of New Mexico
Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION
PO Box 2088
Santa Fe, NM 87504-2088

Form C-102
Revised February 10, 1994
Instructions on back
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-015-26939		² Pool Code	³ Pool Name Indian Basin Upper Penn
⁴ Property Code	⁵ Property Name HOC Federal Gas Com.		⁶ Well Number 2
⁷ OGRID No. 025575	⁸ Operator Name YATES PETROLEUM CORPORATION		⁹ Elevation 4029

¹⁰ Surface Location

UL or lot no. D	Section 13	Township 22S	Range 23E	Lot Idn	Feet from the 330	North/South line North	Feet from the 330	East/West line West	County Eddy
--------------------	---------------	-----------------	--------------	---------	----------------------	---------------------------	----------------------	------------------------	----------------

¹¹ Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
¹² Dedicated Acres 640									
¹³ Joint or Infill									
¹⁴ Consolidation Code									
¹⁵ Order No.									

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED
OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

<div>16</div> <div>330'</div> <div>330'</div> <div>NM-059077</div> <div>NM-0630737</div>	<div>17 OPERATOR CERTIFICATION</div> <div>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief</div> <div>Signature <i>Ken Beardemphl</i></div> <div>Printed Name Ken Beardemphl</div> <div>Title Landman</div> <div>Date 9-11-95</div>	
	<div>18 SURVEYOR CERTIFICATION</div> <div>I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.</div> <div>Date of Survey</div> <div>Signature and Seal of Professional Surveyer:</div> <div>Refer to orginial Plat</div> <div>Certificate Number</div>	

OIL CONSERVATION DIVISION

P.O. Box 2088
Santa Fe, New Mexico 87504-2088

DISTRICT I

P.O. Box 1960, Hobbs, NM 88240

DISTRICT II

P.O. Drawer DD, Artesia, NM 88210

DISTRICT III

1000 Rio Brazos Rd., Aztec, NM 87410

WELL LOCATION AND ACREAGE DEDICATION PLAT

All Distances must be from the outer boundaries of the section

Operator M.W. Petroleum Corp.			Lease H.O.C. Fed. Gas Com		Well No. 2
Unit Letter D	Section 13	Township 22-South	Range 23-East	County NMPM	Eddy

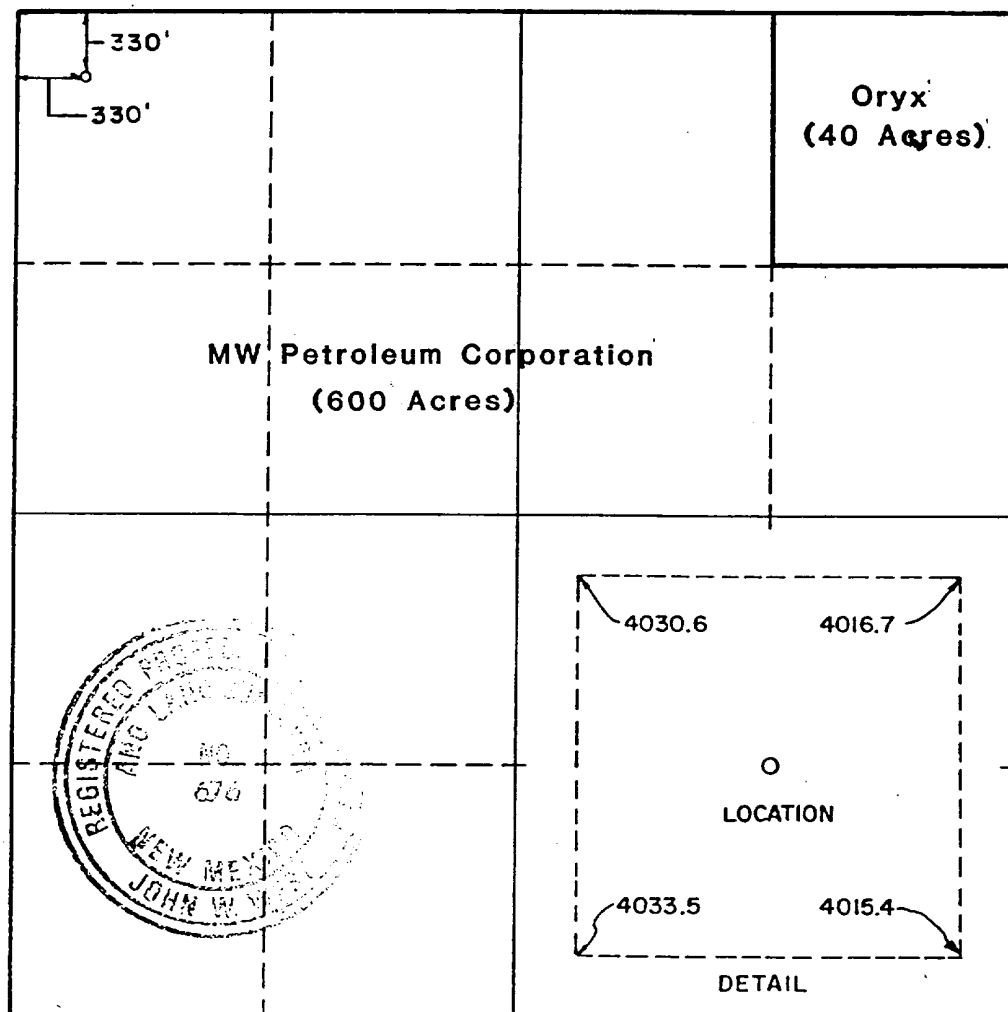
Actual Footage Location of Well:

330 feet from the North line and		330 feet from the West line	
Ground Level Elev. 4029.0	Producing Formation Cisco Canyon	Pool Indian Basin - Upper Penn.	Dedicated Acreage: 640 Acres

- Outline the acreage dedicated to the subject well by colored pencil or hatchure marks on the plat below.
- If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
- If more than one lease of different ownership is dedicated to the well, have the interest of all owners been consolidated by communitization, unitization, force-pooling, etc.?
☒ Yes ☐ No If answer is "yes" type of consolidation Communitization

If answer is "no" list of owners and tract descriptions which have actually been consolidated. (Use reverse side of this form necessary.)

No allowable will be assigned to the well unit all interests have been consolidated (by communitization, unitization, forced-pooling, otherwise) or until a non-standard unit, eliminating such interest, has been approved by the Division.



OPERATOR CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

Signature <i>C. J. Pavlich</i>
Printed Name C. J. Pavlich
Position Drilling Manager
Company MW Petroleum Corporation
Date 12 - 5 - 91

SURVEYOR CERTIFICATION

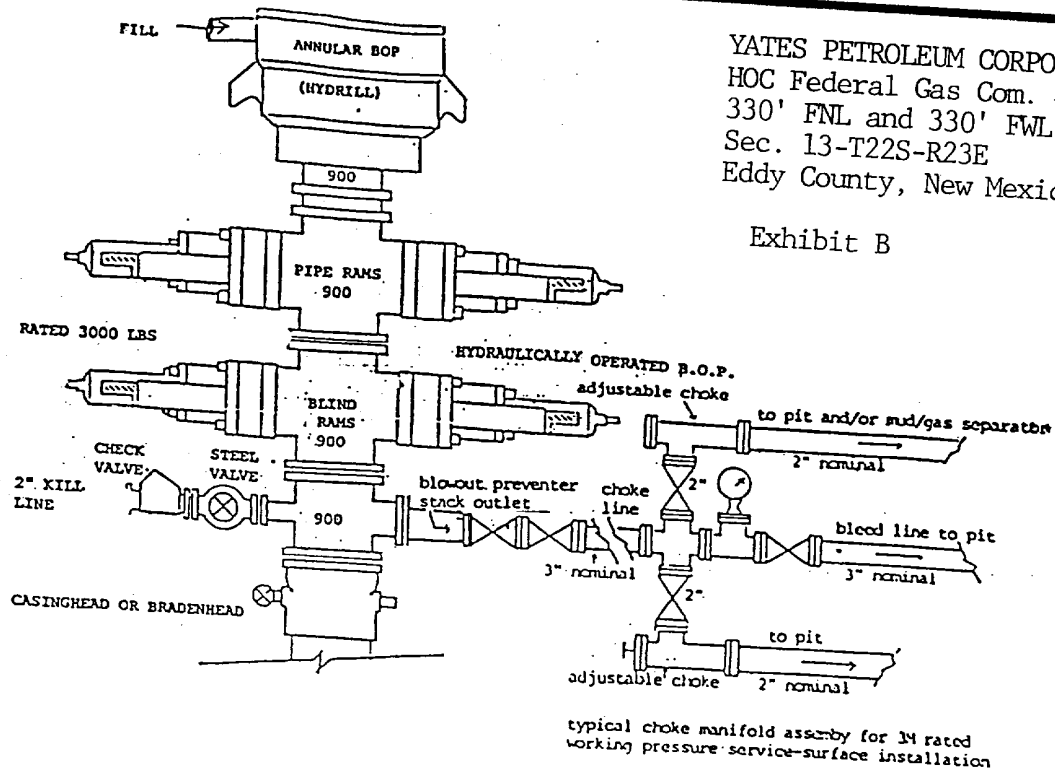
I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief.

Date Surveyed 11-20-1991
Signature & Seal of Professional Surveyor <i>John W. West</i>

Certificate No.	JOHN W. WEST, 676
	RONALD J. EIDSON, 3239
	GARY L. JONES, 7977

YATES PETROLEUM CORPORATION

Yates Petroleum Corporation
105 SOUTH 4th STREET
ARTESIA, NEW MEXICO 88210



YATES PETROLEUM CORPORATION
HOC Federal Gas Com. #2
330' FNL and 330' FWL
Sec. 13-T22S-R23E
Eddy County, New Mexico

Exhibit B

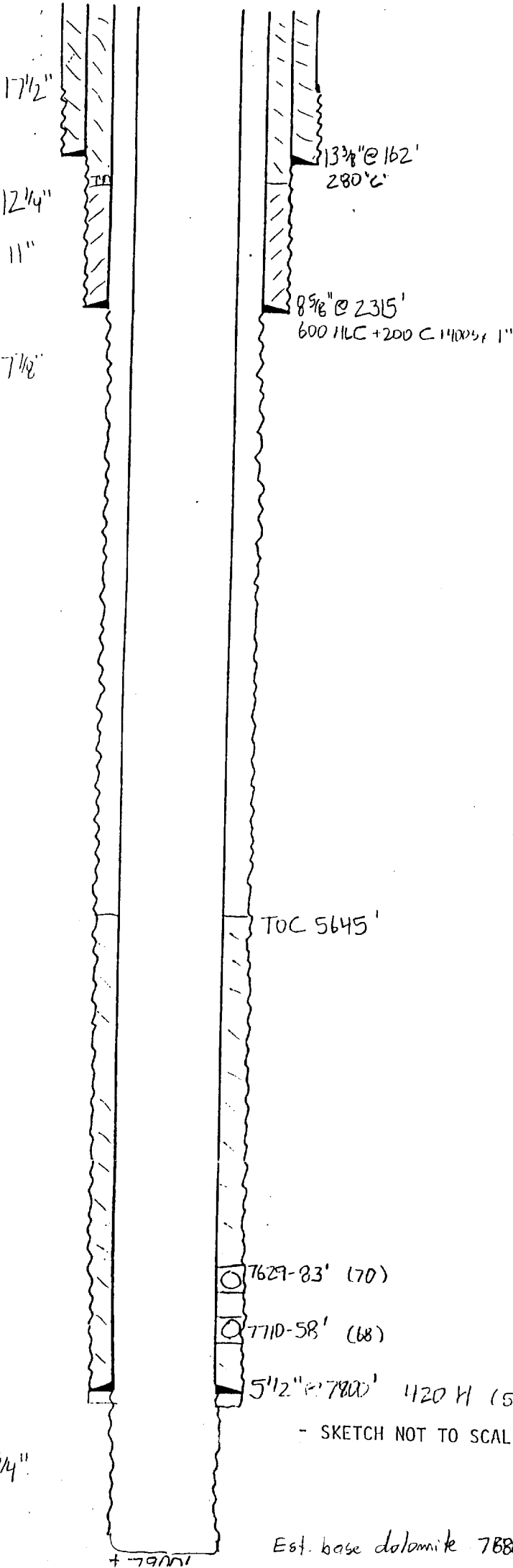
THE FOLLOWING CONSTITUTES THE MINIMUM BLOWOUT PREVENTER REQUIREMENTS FOR 3000 PSI WP SYSTEMS

1. All preventers to be hydraulically operated with secondary manual controls installed prior to drilling out from under casing.
2. Choke outlet to be a minimum of 3" diameter.
3. Kill line to be of all steel construction of 3" minimum diameter.
4. All connections from operating manifolds to preventers to be all steel. Hole or tube to be a minimum of one inch in diameter.
5. The available closing pressure shall be at least 15% in excess of that required with sufficient volume to operate the B.O.P.'s.
6. All connections to and from preventer to have a pressure rating equivalent to that of the B.O.P.'s.
7. Inside blowout preventer to be available on rig floor.
8. Operating controls to be located a safe distance from the rig floor.
9. Hole must be kept filled on trips below intermediate casing.

WELL NAME: HOC Fed. 2 FIELD AREA: Indian Basin
 LOCATION: 330' FNL 330' FWL 13-22S-23E Eddy NM
 GL: 4029 ZERO: 13 AGL:
 KB: 4042 ORIG. DRLG./COMPL. DATE:
 COMMENTS: Current Prod: 0.27 BCF / 24 MBO
TA 3193

CASING PROGRAM:

SIZE/WT./GR./CONN.	DEPTH SET
13 3/8" 48 H40 STC	152'
8 5/8" 24 H55 STC	2315'
5 1/2" 15.5 H55 LTC	6325'
17 N80 LTC	7800'
2 3/4" 4.7 J55 JVE	7530'



3192: Perf 7758-49', 7742-38', 7717-16',
 7714-10', 7629-83' (2511)
 Acidize 4500g 7 1/2% 3.9 @ 1850 psi.
 12 hr Flow 2135 mcf/d / 200 BOP 432 psi
 61.5° Cond. 72-BW

3193: TA well. CIBP 7550' + 25x amt.
 2195: Push CIBP to 7780'
 BWP 563 mcf/d / 1114 bwpd / 603 BHP
 204 1482 452
 196 1321 344
 216 1245 303

1193: ROP 7700'. Swab 7627-7685' IFL 4800 FFL 5100
 80 BW 21 runs.
 Acidize 7710-58' 1500g ? w/N₂
 Swab 56 BW 18 runs IFL 4600 FFL 6500'

5/95: Acidize 7710-19' w/ 2000 gal 20%
 communicated up.
 Acidize 7629'-7683' w/ 20,000 gals 20%
 PHOP open perts 7629'-7758'
 O BOPD, 1300 BWPD, 240 mcf/d

6/95: Acidize 7629'-7683' w/ 50,000 gals XL 20%
 down cs @ 60 BPM 3450 # STP
 PHOP - open perts 7629'-7758'
 O BOPD O BWPD 120 mcf/d

Yates Petroleum Corporation
 105 SOUTH 4th STREET
 ARTESIA, NEW MEXICO 88210

YATES PETROLEUM CORPORATION
 HOC Federal Gas Com. #2
 330' FNL and 330' FWL
 Sec. 13-T22S-R23E
 Eddy County, New Mexico

Exhibit E

- SKETCH NOT TO SCALE -

REVISED: _____

Est. base dolomite 7880' ±.